

CITY BOND RATING: In 2010, Standard and Poor's Ratings Services raised the rating of Carmel's general obligation bonds from AA to AA+. In this report, Standard and Poor's described Carmel's income levels as "very strong" and its gross assessed value total as "extremely strong." It also referred to Carmel's unemployment rate of 6.0% average in 2009 as low compared with Indiana's 10.7% and nation's 10.1%. Standard and Poor's is the global leader in providing investment research and credit ratings throughout the world.

OUTSTANDING OBLIGATIONS OF THE CITY OF CARMEL

As of February 2, 2011

OBLIGATIONS APPROVED BY THE CARMEL CITY COUNCIL

Outstanding Par
Amount

COUNTY OPTION INCOME TAX (COIT) BONDS

Bonds are payable from COIT, and were issued to fund City road and infrastructure projects.

County Option Income Tax Lease Rental Revenue Bonds of 2010	\$25,675,000
Carmel Redevelopment Authority County Option Income Tax Lease Rental Revenue Bonds, Series 2006	66,845,000
Carmel Redevelopment Authority County Option Income Tax Lease Rental Revenue Refunding Bonds, Series 2004	15,990,000
County Option Income Tax Revenue Bonds, Series 2002	7,410,000

\$115,920,000 *

* The City of Carmel has pledged up to \$650,000 of annual COIT as additional back-up security to the Hamilton County Redevelopment District Tax Increment Revenue Bonds of 2005 and 2006, which Bonds are payable from tax increment from the Thomson Economic Development Area.

PROPERTY TAX BONDS

Bonds are payable from property taxes levied on the City of Carmel or the Redevelopment District.

Lease Rental Revenue Bonds of 2004 (West Clay Road)	\$27,600,000
Carmel Civic Square Building Corporation First Mortgage Refunding Bonds, Series 2004	800,000

\$28,400,000

UTILITY BONDS

Bonds are payable from utility revenues.

Sewage Works Revenue Bonds of 2009	\$5,734,840
Indiana Bond Bank Special Program Bonds, Series 2008 B	83,647,740
Waterworks Refunding Revenue Bonds of 2003, Series A	1,385,000
Waterworks Revenue Bonds of 2002, Series A	3,850,000
Waterworks Revenue Bonds of 2002, Series B	4,725,000
Sewage Works Revenue Bonds of 2005	9,445,000

\$108,787,580

CARMEL REDEVELOPMENT COMMISSION (CRC) - GENERAL TIF OBLIGATIONS

These tax increment financing (TIF) obligations are paid from TIF collected from multiple TIF Areas. CRC does not receive property tax revenue from homeowners. Rather, CRC is supported by TIF, which comes from commercial property in designated areas that benefit from special improvements.

Carmel Redevelopment District Taxable County Option Income Tax Revenue Refunding Bonds, Series 2006	\$6,235,000 (a)
Carmel Redevelopment Authority Lease Rental Revenue Bonds of 2005 (Performing Arts Center)	76,618,011 (b)
Carmel Redevelopment District Taxable Tax Increment Revenue Bonds of 2008	13,125,000

\$95,978,011

(a) Although County Option Income Tax (COIT) revenue is pledged, the debt service is paid from tax increment.

(b) The lease rental is payable from a special benefits tax (ad valorem property tax) levied on the Carmel Redevelopment District, however, the Commission intends to pay the lease rental from TIF collected in several allocation areas.

TOTAL

\$349,085,591

Note: The Carmel City Council has also approved and issued \$31,248,341 of Bonds payable from TIF from the developers' projects or payments from developers, to encourage redevelopment. Neither the City of Carmel, the Carmel Redevelopment Commission nor the taxpayers have any responsibility or liability for these debts under any circumstances.

OBLIGATIONS APPROVED BY THE CARMEL REDEVELOPMENT COMMISSION (CRC)

CARMEL REDEVELOPMENT COMMISSION (CRC) - GENERAL TIF OBLIGATIONS *

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Installment Purchase Contracts (Regions Bank)	\$17,500,000
Installment Purchase Contracts (Regions Bank)	7,500,000
Installment Purchase Contracts (Mercantile Bank)	10,000,000
Series 2010 A Certificates of Participation	37,905,000
Series 2010 B Taxable Certificates of Participation	2,510,000
Installment Purchase Contracts (National Bank of Indianapolis)	10,000,000
Installment Purchase Contracts (United Fidelity Bank)	2,500,000
Installment Purchase Contracts (Regions Bank)	10,000,000

TOTAL

\$97,915,000

* Does not include: (i) \$16.3 million Series 2010C Certificates payable from Energy Consumption payments; (ii) \$12.5 million Key Bank Loan to Carmel City Center Community Development Corporation (4CDC) payable from tenant lease payments; or (iii) \$8 million Lake City Bank Loan to 4CDC payable from ticket surcharge revenues.